

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF THE	)	
AUXIER WATER COMPANY, INC.	)	CASE NO. 10356

O R D E R

On February 22, 1989, Auxier Water Company, Inc. ("Auxier Water") filed a Notice and Motion giving notice, pursuant to KRS 278.190(2), of its intent to place in effect on February 18, 1989 the increased rates for water service as recommended by the Commission's Staff ("Staff") in the Amended Staff Report dated January 31, 1989. Auxier Water's motion notes that while it is legally entitled to place in effect its proposed rates, those rates are higher than the ones recommended by the Staff, and since Auxier Water agrees with many of the adjustments recommended by the Staff, Auxier Water seeks authorization to implement the lower rates recommended by the Staff. The Attorney General's Office, Utility and Rate Intervention Division, and the Auxier Community Development Club, both intervenors in this case, have orally notified the Commission that if Auxier Water is to place into effect new rates during the pendency of this proceeding, it would be preferable for Auxier Water to charge the lower rates set forth in the Amended Staff Report.

Based on the Motion and being advised, the Commission is of the opinion and hereby finds that good cause has been shown to

authorize Auxier Water to implement, subject to refund, the recommended rates set forth in the Amended Staff Report. The Commission further finds that Auxier Water's February 22, 1989 Notice and Motion to implement increased rates on February 18, 1989 is insufficient to provide the notice required by statute. KRS 278.190(2) provides that at the expiration of the suspension period, a utility may place the proposed rates in effect "after notifying the Commission, in writing, of its intention so to do." (emphasis added) In this case, the Notice and Motion sets forth Auxier Water's intent to implement the rates recommended by the Staff if authorization to do so is granted by the Commission. In the event the Commission denies that authorization, Auxier Water will implement its proposed rates as set forth in its Petition For Rate Adjustment. Therefore, the notice given was incomplete pending a decision by the Commission. The effective date for the implementation of the interim rates authorized by this Order can be no sooner than the date of this Order.


IT IS THEREFORE ORDERED that:

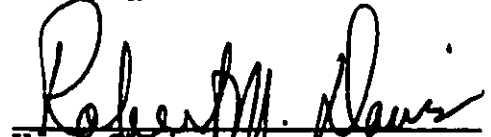
1. Auxier Water's Motion be and it hereby is granted to the extent that on and after the date of this Order, Auxier Water is authorized to implement, subject to refund, the recommended rates set forth in the Commission's Amended Staff Report.

2. Auxier Water shall maintain its records in such manner as will enable it, or the Commission, or any of its customers, to determine the amounts to be refunded and to whom due in the event a refund is ordered.

Done at Frankfort, Kentucky, this 24th day of February, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

Executive Director